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CONVENTION & VISITORS BUREAU

VISITOR INDUSTRY

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VISITOR INDUSTRY IMPACT

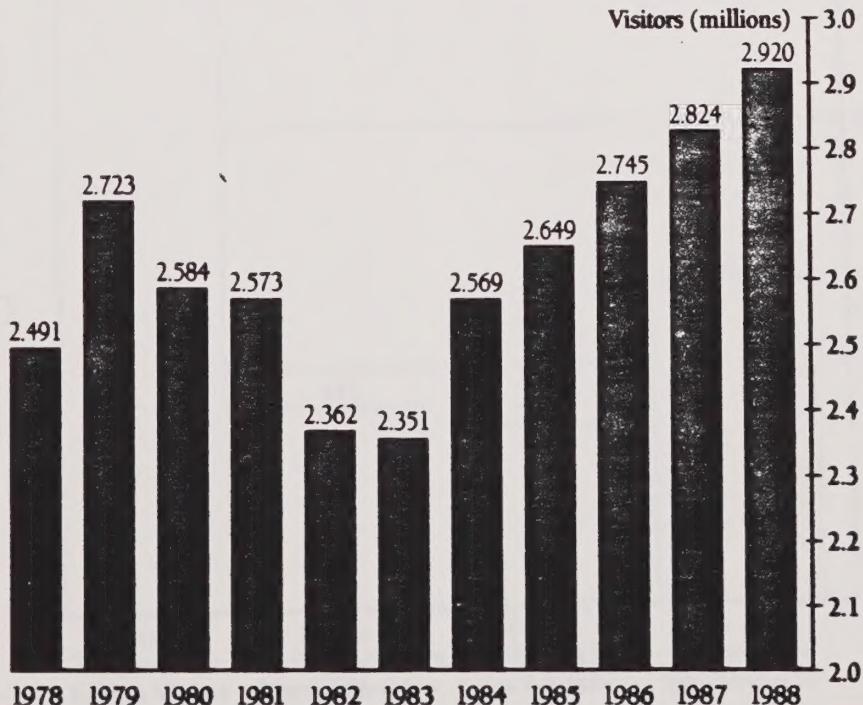
San Francisco's total visitor industry generates \$9.3 million of trade per day in the city, putting it among the top segments of the local economy. It is helpful to comprehend the dynamics and demographics of the industry, not only from the standpoint of their effect on the community, but also in terms that will permit local businesses to address the market. The data summarized in this section respond to some of the most frequent inquiries about San Francisco's visitors and the industry that serves them. It has been gathered by the Bureau at different times from various sources. Where appropriate, spending figures have been adjusted for inflation.

Annual visitor statistics have traditionally been calculated to show only the total number of visitors staying overnight in San Francisco hotels and their expenditures. A more comprehensive study of 1985 visitors published by SPUR in 1987 included those who stayed overnight elsewhere or just visited for the day. Both sets of data have been used to compile this information. However, it is important to note that the findings are expressed differently in each study.

TOTAL VISITORS STAYING OVERNIGHT IN SAN FRANCISCO HOTELS 1978-1988

Visitor activity has increased steadily over the last five years with 1988 figures setting a record high for overnight stays in commercial lodgings within the city limits of San Francisco.

Source: SFCVB utilizing San Francisco Transient Occupancy Tax as a basis.



ESTIMATED 1988 SPENDING

— By San Francisco Visitors
Staying Overnight in Hotels & Motels

Total spending by the 2.920 million visitors staying in San Francisco hotels and motels in 1988 amounted to \$1.568 billion, a 7 percent increase over the previous year.

Daily expenditures by visitors not staying in San Francisco hotels are compared below. A complete summary of estimated expenditures by all visitors is illustrated on the following pages.

Source: Based on *Survey of San Francisco Visitors — 1983 Summary* conducted for the Bureau by Economics Research Associates.

Note: An updated breakdown of visitor expenditures will be available following a year-long survey of San Francisco visitors being conducted in 1989.

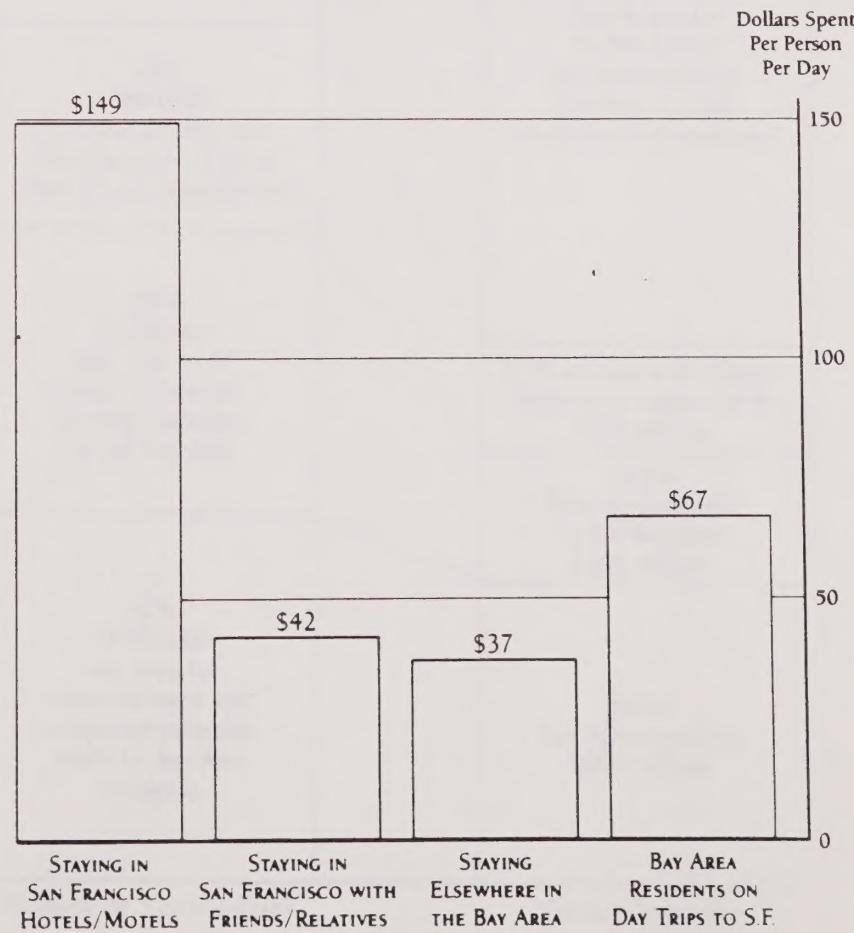
	Percent of Total Spending	Millions of Dollars Spent
Hotel/Motel Room Accommodations	37%	\$ 580.1
Hotel/Motel Restaurants	7%	109.7
Other Restaurants	21%	329.3
Retail Stores	17%	266.7
Entertainment	6%	94.1
Sightseeing	3%	47.0
Local Transportation	3%	47.0
Car Rental	4%	62.7
Car Expenses	1%	15.7
Miscellaneous	1%	15.7
TOTAL	100%	\$1,568.0

DAILY PER CAPITA SPENDING

This chart compares daily per capita spending by visitors staying in different types of accommodations.

Source: Based on data summarized in Economics Research Associates' 1987 report *The Economic and Employment Impacts of Visitors to San Francisco* conducted for the San Francisco Planning & Urban Research Association.

SPENDING BY INDIVIDUALS

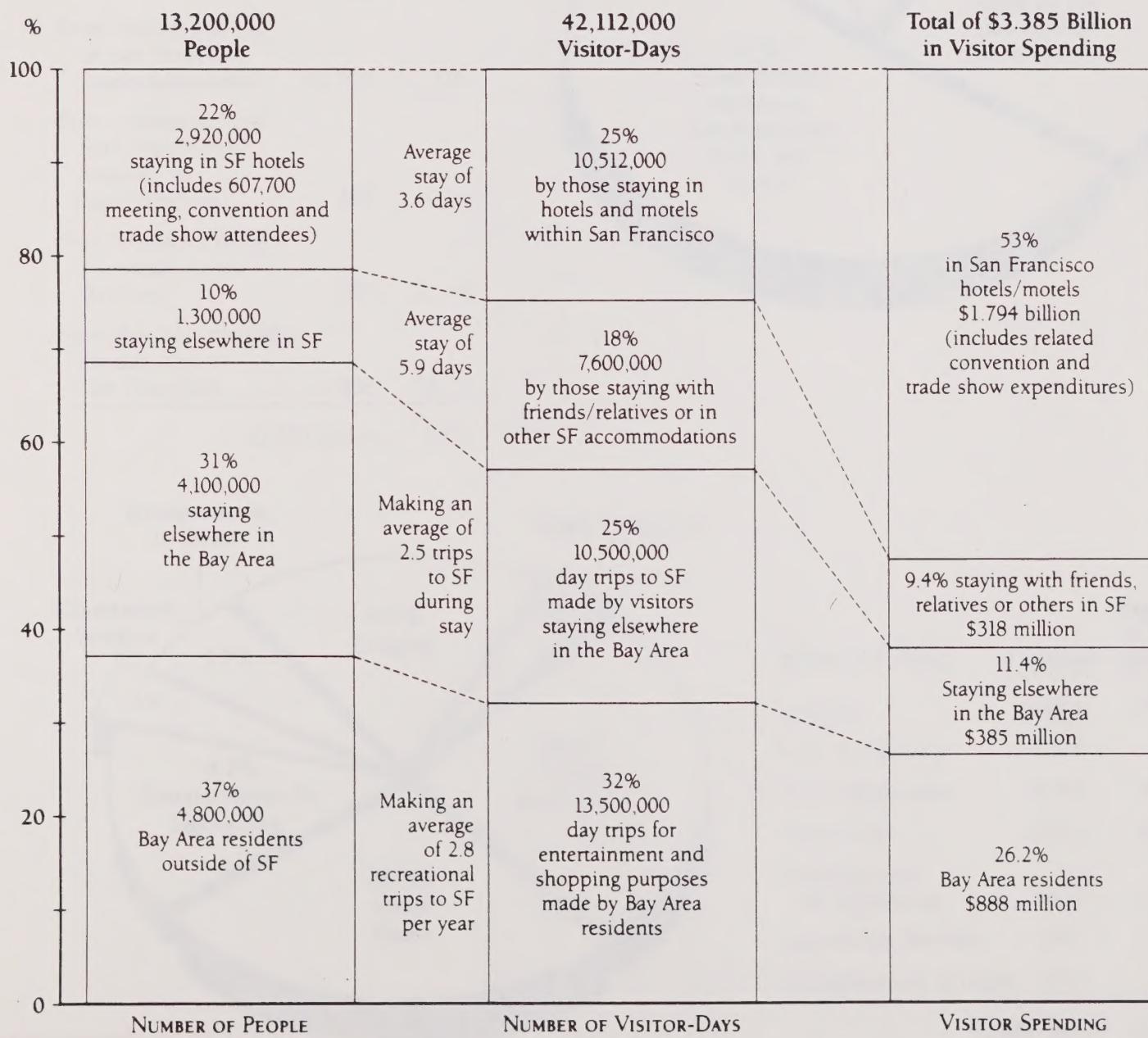


COMPARISON OF VISITOR-DAYS WITH TOTAL SPENDING IN SAN FRANCISCO

Source: Based on data used in Economics Research Associates' 1987 report *The Economic and Employment Impacts of Visitors to San Francisco* conducted for the San Francisco Planning & Urban Research Association.

The number of out-of-area visitors multiplied by the average number of days they spend in San Francisco produces an estimate of visitor-days. It is estimated there were approximately 28.6 million visitor-days spent in San Francisco by these out-of-area visitors in 1988. Bay Area residents here for shopping and entertainment accounted for another 13.5 million visitor-days, resulting in a yearly total of approximately 42.1 million visitor-days. This is equivalent to an average daily visitor population in San Francisco of approximately 115,000 people.

In 1988 visitors and Bay Area residents in San Francisco for the day spent roughly \$3.4 billion here; an average of \$9.3 million a day. Although those who stay in San Francisco hotels and motels account for a quarter of all visitor-days, they generate more than half of all visitor spending.

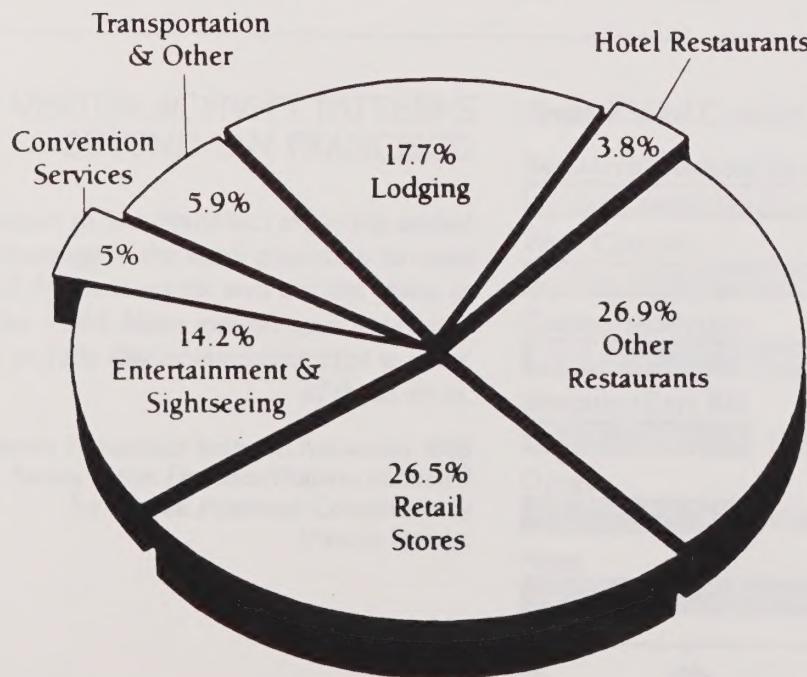
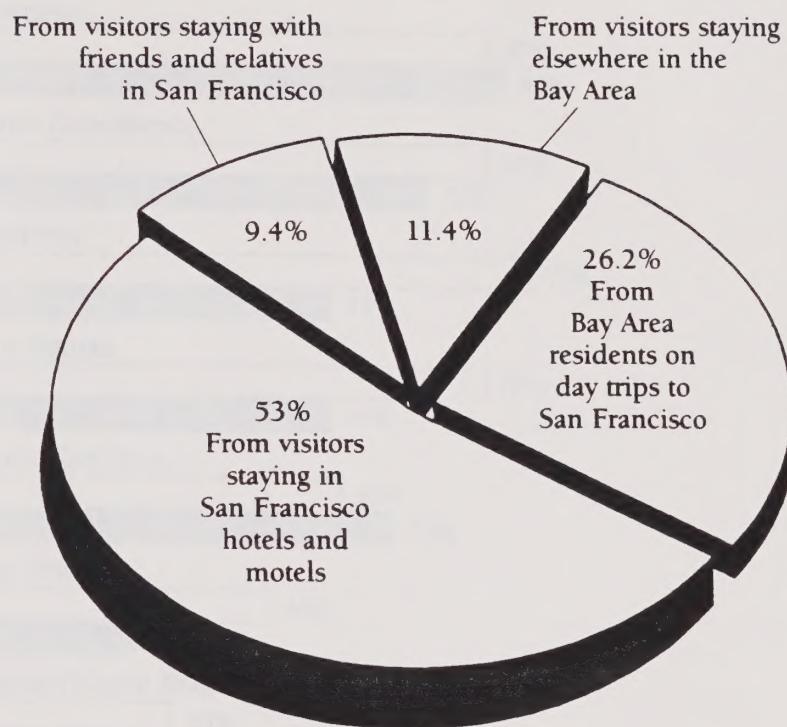


ESTIMATED FLOW OF VISITOR DOLLARS INTO THE SAN FRANCISCO ECONOMY

The sectors of the San Francisco economy which benefit most heavily from this total visitor spending are the restaurant and retail industries followed by the lodging and entertainment sectors.

An estimated breakdown of visitor spending is shown below.

Where It Comes From	\$ Millions	Percent of Total Dollars
From visitors staying in San Francisco hotels and motels	\$1,794	53%
From visitors staying with friends and relatives in San Francisco	318	9.4%
From visitors staying elsewhere in the Bay Area	385	11.4%
From Bay Area residents on day trips to San Francisco	888	26.2%
		\$3.385 billion 100%



Where It's Spent	\$ Millions	Percent of Total Dollars
Lodging	\$599.2	17.7%
Hotel Restaurants	128.6	3.8%
Other Restaurants	910.6	26.9%
Retail Stores	897.1	26.5%
Entertainment & Sightseeing	480.7	14.2%
Convention Services	169.1	5.0%
Transportation & Other	199.7	5.9%
		\$3.385 billion 100.0%



VISITOR ACTIVITY PATTERNS IN SAN FRANCISCO

San Francisco offers a wide variety of entertainment and recreational pursuits throughout the city which are attractive to visitors. This chart indicates the most frequently visited tourist destinations.

Source: Economics Research Associates' 1987 report *The Economic and Employment Impacts of Visitors to San Francisco* conducted for the San Francisco Planning & Urban Research Association.

HOTEL/MOTEL GUESTS 

VISITING FRIENDS & RELATIVES 

Areas Visited by Tourists in San Francisco

FISHERMAN'S WHARF



DOWNTOWN



GOLDEN GATE BRIDGE



CHINATOWN



UNION SQUARE



GOLDEN GATE PARK



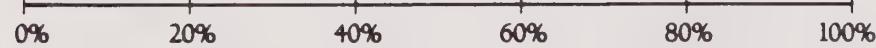
UNION STREET



BROADWAY/NORTH BEACH



ALCATRAZ



VISITOR ACTIVITY PATTERNS BEYOND SAN FRANCISCO

Visitors to San Francisco enjoy the added advantage of the city's proximity to some of the most scenic and cultural vistas in the world. Many extend their itineraries to include day or overnight trips to some of these areas.

Source: Economics Research Associates' 1983 *Survey of San Francisco Visitors* conducted for the San Francisco Convention & Visitors Bureau.

Areas Visited Outside of San Francisco

SAUSALITO/TIBURON/MUIR WOODS



WINE COUNTRY



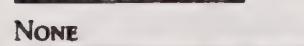
CARMEL/MONTEREY



BERKELEY/EAST BAY



OTHER



NONE



PROFILE OF VISITORS STAYING OVERNIGHT IN SAN FRANCISCO HOTELS & MOTELS

The following visitor profile was developed from information gathered from personal interviews with 3,300 visitors at five visitor sites and 25 selected hotels in a representative range of locations and prices. The resulting statistics have been adjusted for inflation.

Source: Economics Research Associates' 1983 Survey of San Francisco Visitors conducted for the San Francisco Convention & Visitors Bureau.

Note: A year-long visitor survey is being conducted during 1989, providing an updated profile in the spring of 1990.

Average Age	43 years
Average Household Income	\$63,945
Mode of Arrival in San Francisco	74% by Air 19% by Car
Average Length of Stay	3.6 Nights
First-Time Visitors	37%
Very Frequent Visitors (5+ trips/year)	27%
Purpose of Trip	
Pleasure/Vacation	50%
Convention/Meeting	16%
Business	13%
Business/Pleasure	11%
Visiting Friends/Relatives/Other	10%
Residence	70% Domestic 30% International
Degree of Satisfaction with Trip	86% "Very Satisfied"
Most-Liked Factors	#1 Scenery #2 Restaurants/Food #3 Ambience, Climate and People

POINTS OF ORIGIN FOR SAN FRANCISCO VISITORS

San Francisco's reputation as a world-class visitor destination is validated by the inbound traffic to the city from both domestic and international markets. The leading domestic and international origination points are listed at right.

Top Producing Domestic Markets	Top Producing International Markets
Southern California	Japan
New York	Canada
Chicago	United Kingdom
Boston	West Germany
Houston	Australia/New Zealand
Denver	France
Seattle	Italy

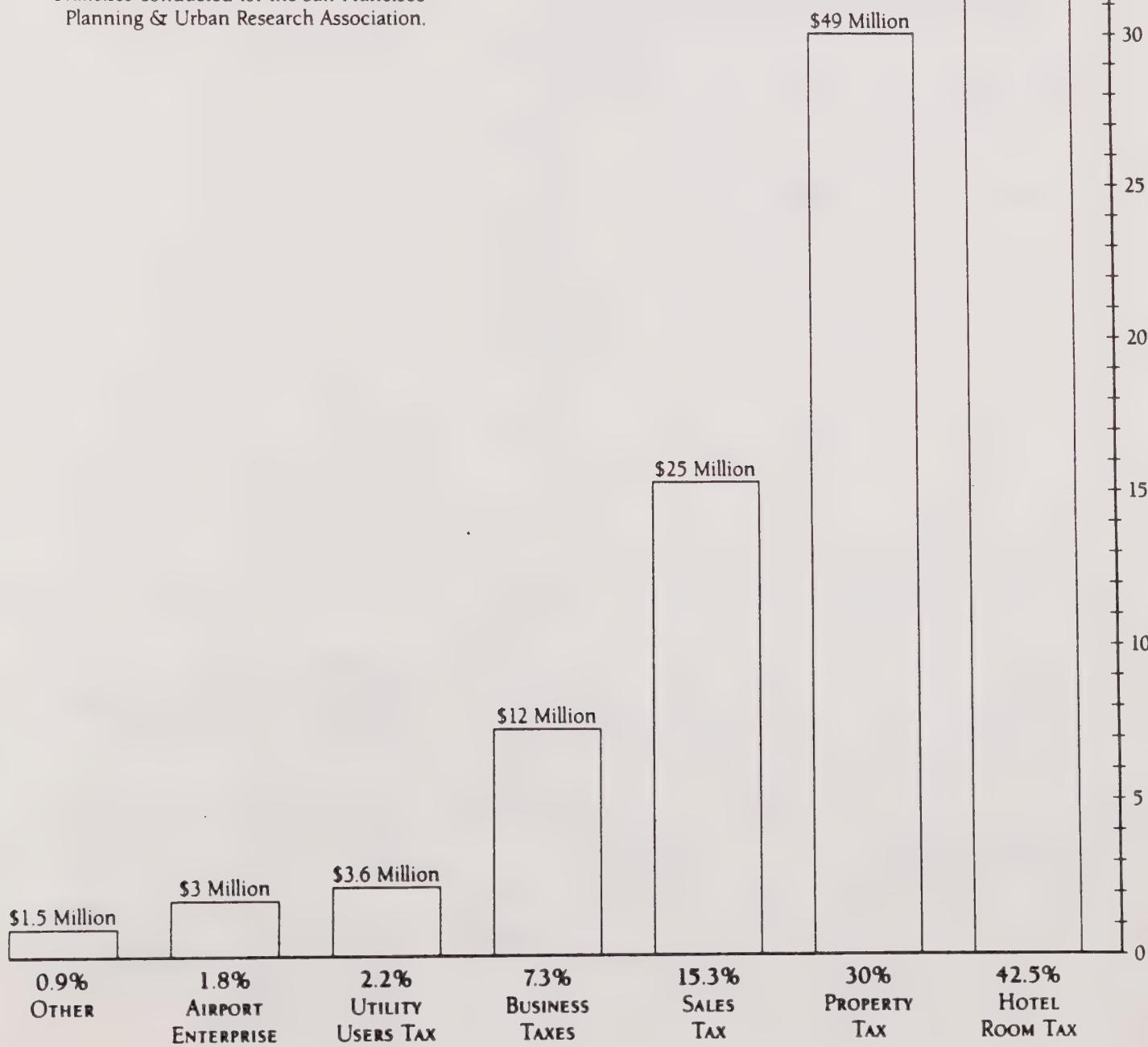
DIRECT FISCAL IMPACT OF VISITORS

Direct visitor spending combined with the economic influx created by this spending in visitor-serving businesses also increases tax and fee revenues to the City & County of San Francisco. Total city revenue derived from visitor spending is presently estimated to be more than \$162 million annually.

Source: Based on data collected for Economics Research Associates' 1987 report *The Economic and Employment Impacts of Visitors to San Francisco* conducted for the San Francisco Planning & Urban Research Association.

Annual San Francisco City Revenues Generated Directly by Visitor Spending

Total Revenue of \$162.8 Million

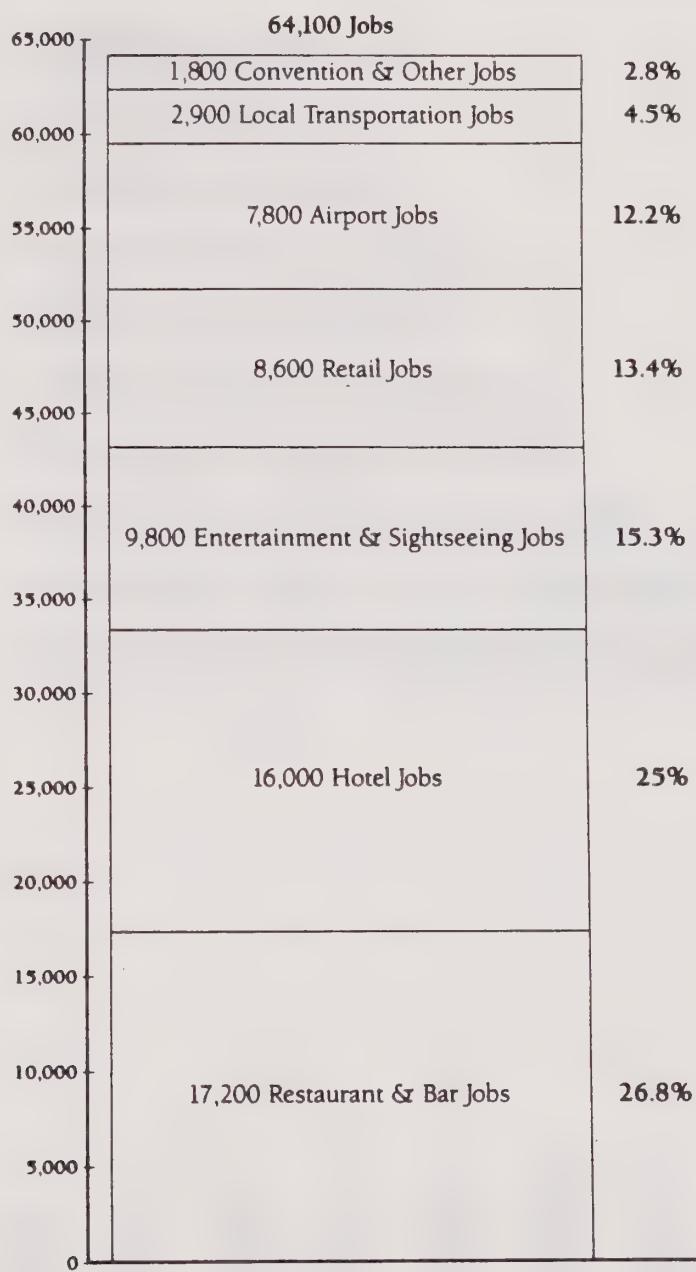


EMPLOYMENT IMPACT OF VISITORS TO SAN FRANCISCO

It is estimated that more than 64,000 jobs are directly supported by visitor spending in San Francisco with a payroll in excess of \$1 billion, exclusive of gratuities.

When considering the jobs generated by those businesses servicing the visitor industry the employment impact is nearly doubled.

Source: Based on data from Economics Research Associates' 1987 report *The Economic and Employment Impacts of Visitors to San Francisco* conducted for the San Francisco Planning & Urban Research Association.



DEMOGRAPHIC CHARACTERISTICS OF VISITOR INDUSTRY EMPLOYEES

Those employed in the industry are primarily San Francisco residents of varied ethnicity with an almost equal representation of men and women.

Source: Economics Research Associates' 1987 report *The Economic and Employment Impacts of Visitors to San Francisco* conducted for the San Francisco Planning & Urban Research Association.

Residence

64% San Francisco	36% Other Bay Area
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Ethnicity

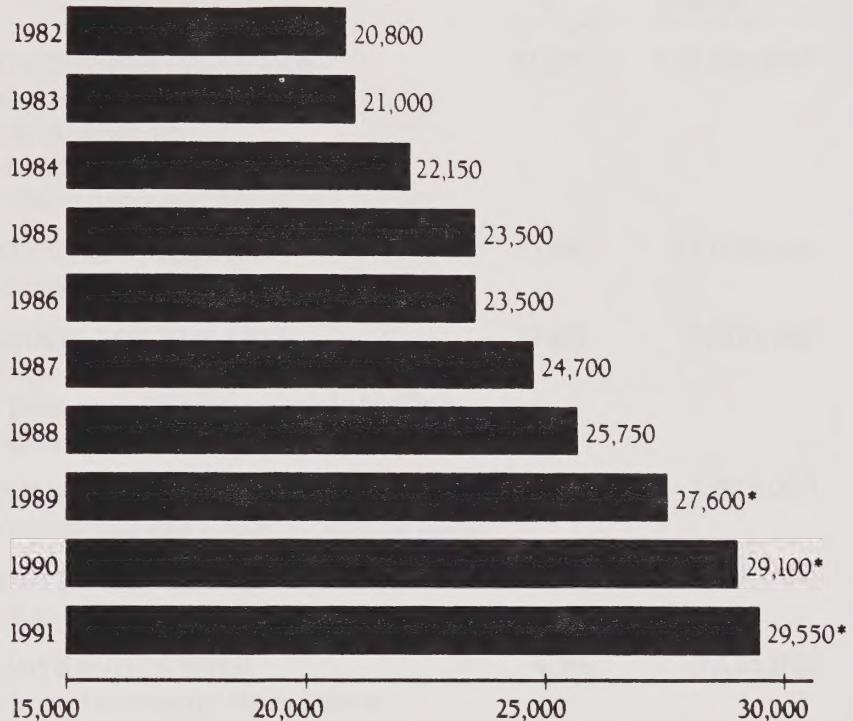
55% Caucasian	22% Asian/Pacific Islander	14% Hispanic	8% Black
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Gender

59% Male	41% Female
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HOTEL ROOM CAPACITY

San Francisco's inventory of hotel rooms increased 24% from 1982 to 1988. The total number of transient rooms in the city is expected to exceed 29,500 by 1991, accounting for a 42% growth for the decade.



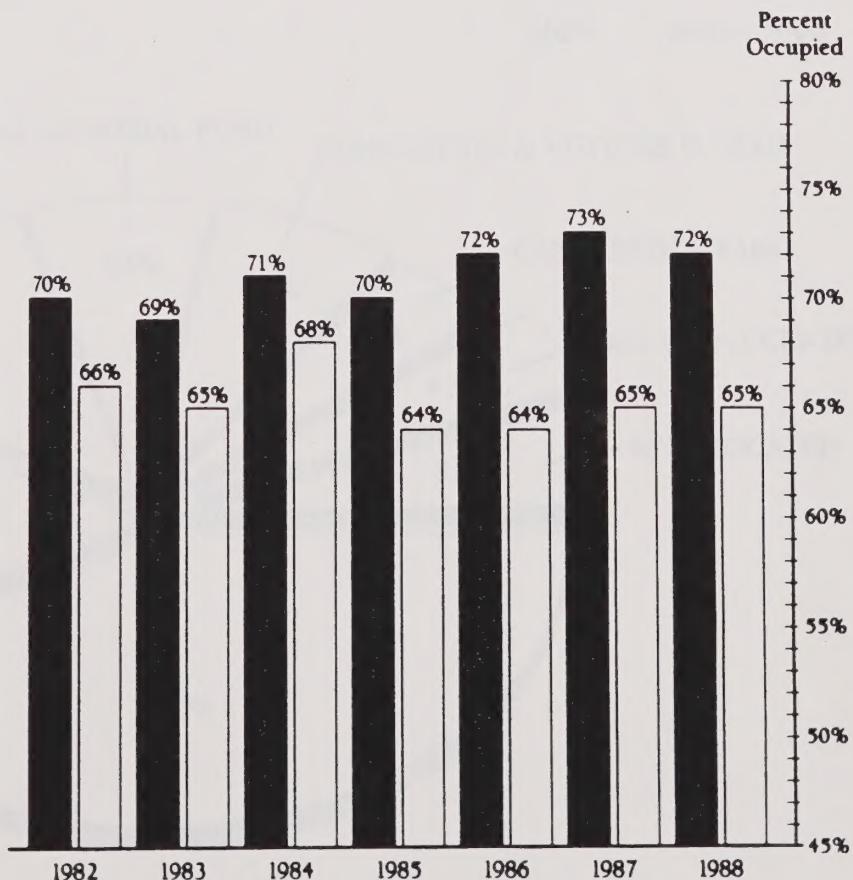
* Includes rooms available at hotels planned or under construction as of April, 1989.

HOTEL OCCUPANCY TRENDS

Despite an increase in room inventory, San Francisco's city-wide hotel occupancy declined only one percent in 1988 to 72 percent, surpassing the national average by seven points.

Sources: Pannell Kerr Forster and Laventhal & Horwath.

SAN FRANCISCO AVERAGE ■
UNITED STATES AVERAGE □

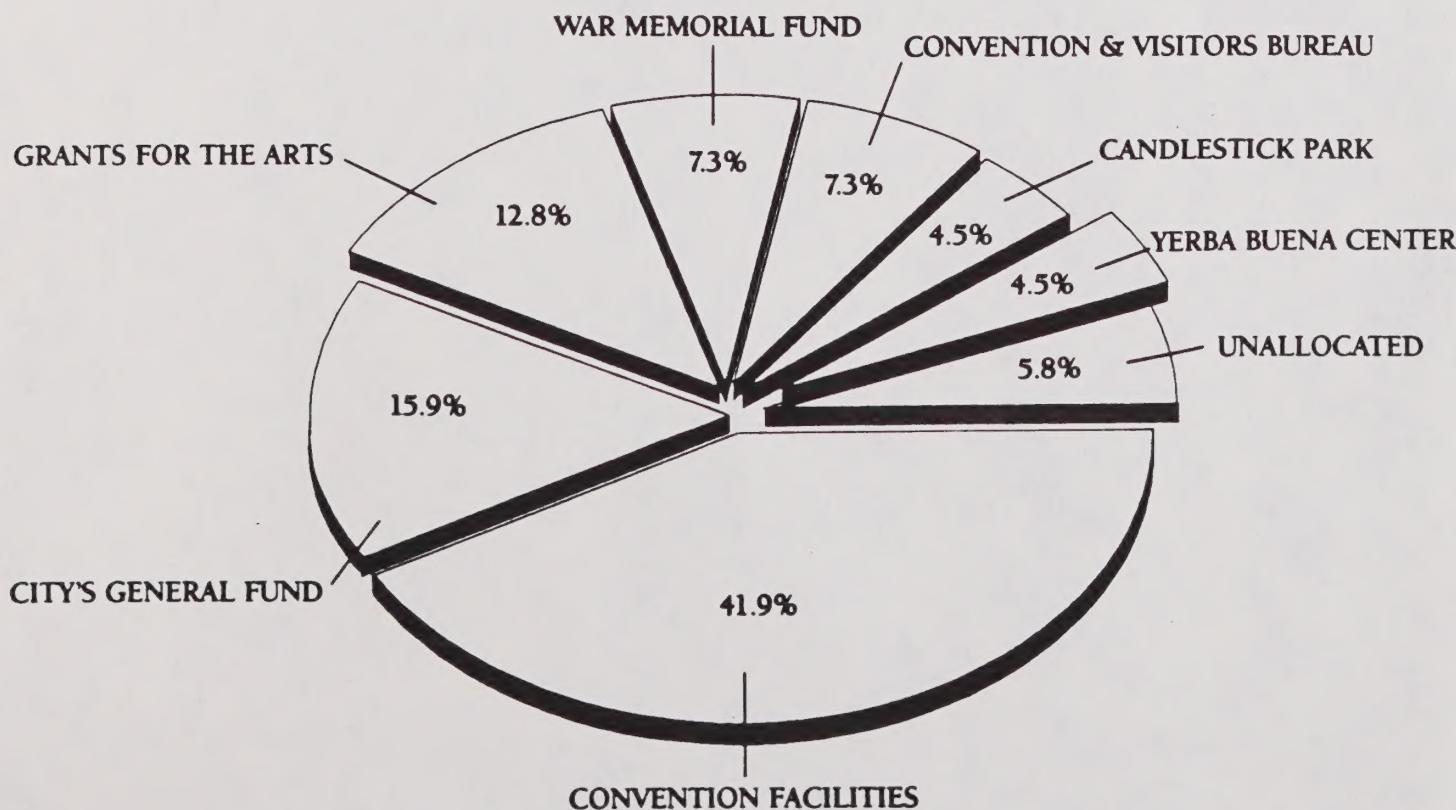


**DISTRIBUTION OF 11%
TRANSIENT OCCUPANCY TAX
City & County of San Francisco**

San Francisco's hotel room tax went into effect on July 1, 1961. The local legislation governing the tax rate and its collection and allocation has been amended several times since it was first adopted at the rate of 3%. The tax rate was last raised on January 1, 1987 when it went from 9.75% to 11% with the increase designated for the expansion of Moscone Center. The tax is added to the rental of all transient rooms with a daily rate of \$20 or more and occupied for less than 30 days.

The following breakdown of the distribution of the hotel tax revenues *approximates* the allocations as provided for in Section 515 of Part III, Article 7 of the San Francisco Municipal Code as last amended in December 1986. The estimated dollar equivalents are based on the City Controller's estimates that the total 11% rate will yield \$69,600,000 in fiscal year 1989/90.

	%	1989/90 (EST.)
CONVENTION FACILITIES (Moscone Center, Brooks Hall, Civic Auditorium)	41.9%	\$29,190,000
—Bond Retirement, Operations, Maintenance & Expansion		
CITY'S GENERAL FUND	15.9%	11,075,000
—City's Operating Budget		
GRANTS FOR THE ARTS	12.8%	8,900,000
—Non-Profit Arts & Cultural Support & Promotion (Allocations made by City's Chief Administrative Officer)		
WAR MEMORIAL FUND	7.3%	5,075,000
—Performing Arts Center Operating Budget		
CONVENTION & VISITORS BUREAU	7.3%	5,075,000
—Tourism & Convention Promotion		
CANDLESTICK PARK	4.5%	3,125,000
—Bond Retirement, Maintenance		
YERBA BUENA CENTER	4.5%	3,125,000
—Subsidized Housing		
UNALLOCATED	5.8%	4,035,000
—Reverts to City's General Fund		
	100%	\$69,600,000





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